



# HB 44

## REVISE LICENSE TERMS FOR BOARD OF PUBLIC ACCOUNTANTS

BY REQUEST OF THE BOARD OF PUBLIC ACCOUNTANTS

**SPONSOR - REP. TOM BERRY HD 40**

EXHIBIT 1  
DATE 1/15/2015  
HB 44  
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### SUMMARY OF CHANGES

- Eliminate Certificate only level and Licensed level of licensing for the Board of Public Accountants and make it a one licensing tier.
- Amend definition of "Firm" to include sole practice so they are included in peer review requirements
- Amend antiquated language in Board rulemaking authority
- Clarify firm registration requirements to coincide with current needs
- Amend other statutes that refer to a "certificate" level of licensing

**Section 1** - 3-4 eliminates the reference to the two tier licensing in statutes outside Board of Public Accounting statutes

**Section 2** - Eliminates the reference to the two tier licensing structure in who may be appointed to the Board.

**Section 5** - Amends the definition of firm and satellite offices to accommodate peer review. It also eliminates the reference to the two tier licensing structure.

**Section 6** - Eliminate the reference to the two tier licensing structure.

**Section 7** - Eliminates antiquated language in rule making authority of the Board.

**Section 8** - Amends the illegal use of title to eliminate the use of foreign titles, and eliminates the reference to the two tier licensing structure.

**Section 9 - 11** - Eliminates the reference to the two tier licensing structure and clarifies requirements to obtain a license.

**Section 12** - Requires licensees to provide proof of licensure instead of the requirement to post the license.

**Section 13 - 15** - Eliminates the reference to the two tier licensing structure.

**Section 16** - Clarifies what firms are required to annual register and what firms must provide at the time of registration.

**Section 17-20** - Eliminates the reference to the two tier licensing structure.

**Section 21** - Adds transitional language in the elimination of the two tier licensing structure.

**Section 22 - 23** - Eliminates the reference to the two tier licensing system in statutes outside Board statutes.

**Section 24** - Lists the statutes being eliminated by the legislation.

**Section 25** is codification instructions.

**Section 26** is the effective date.

### OVERVIEW OF BOARD'S POSITION

Currently a "certificate" only licensee many not hold out or practice public accounting as a CPA. Eliminating the certificate level of licensing will end confusion to the general public and to licensees on who can practice public accounting. Montana is one of a handful of US jurisdictions that still has a level of licensing other than a full ability to practice. This creates much confusion and serves no public safety need. The majority of applicants for a "certificate" only are foreign applicants seeking the prestige of a CPA certificate.

The "License" level of licensing is available to an individual who was serving in the Armed Forces on July 1, 1969, who was practicing public accounting prior to entering the service; or a person who passed three of the four exam sections. There are currently 4 individuals who still hold an LPA license and are permitted to practice. We have not issued a LPA license under these conditions since 1980.



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